

103D CONGRESS
1ST SESSION

H. R. 2072

To reform the payment limitation provisions of the Food Security Act of 1985, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 1993

Mr. PENNY (for himself, Ms. LONG, Mr. LEACH, Mr. MINGE, Mr. POMEROY, and Mr. JOHNSON of South Dakota) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To reform the payment limitation provisions of the Food Security Act of 1985, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farm Program Pay-
5 ment Limitations Reform Act of 1993”.

6 **SEC. 2. ATTRIBUTION OF PAYMENTS.**

7 (a) Paragraph (5)(C) of section 1001 of the Food Se-
8 curity Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to
9 read as follows:

1 “(C) In the case of corporations and other enti-
2 ties included in subparagraph (B), and partnerships,
3 the Secretary shall attribute payments to natural
4 persons in proportion to their ownership interests in
5 an entity and in any other entity, or partnership,
6 which owns or controls the entity, or partnership, re-
7 ceiving such payment.”.

8 (b) Section 609 of the Agricultural Act of 1949 (7
9 U.S.C. 1471g) is amended by striking subsections (c) and
10 (d) and inserting the following:

11 “(c) In the case of corporations and other entities in-
12 cluded in section 1001(5)(B) of the Food Security Act of
13 1985, and partnerships, the Secretary shall attribute pay-
14 ments to natural persons in proportion to their ownership
15 interests in such entities and partnerships.”.

16 **SEC. 3. REPEAL OF 3-ENTITY RULE.**

17 Section 1001A(a)(1) of the Food Security Act of
18 1985 (7 U.S.C. 1308–1(a)(1)) is amended—

19 (1) in the first sentence by—

20 (A) striking “substantial beneficial inter-
21 ests in more than two entities” and inserting “a
22 substantial beneficial interest in any other en-
23 tity”; and

1 (B) striking “receive such payment as sep-
2 arate persons” and insert “receives such pay-
3 ments as a separate person”; and

4 (2) by striking the second sentence.

5 **SEC. 4. IMPOSITION OF PERSONAL LABOR REQUIREMENT.**

6 Section 1001A(b) of the Food Security Act of 1985
7 (7 U.S.C. 1308–1(b)) is amended in subparagraphs
8 (A)(i)(II), (B)(ii), and (C) of paragraph (2) and subpara-
9 graph (B) of paragraph (3) by striking “or active personal
10 management”.

11 **SEC. 5. REDUCTION IN WOOL ACT PAYMENT LIMITATION.**

12 Subparagraph (D) of section 704(b)(1) of the Na-
13 tional Wool Act of 1954 (7 U.S.C. 1783(b)(1)(D)) is
14 amended by striking “\$125,000” and inserting
15 “\$50,000”.

16 **SEC. 6. GENERAL ACCOUNTING OFFICE REVIEW AND RE-**
17 **PORT.**

18 The Food Security Act of 1985 is amended by adding
19 after section 1001E the following new section:

20 **“SEC. 1001F. GENERAL ACCOUNTING OFFICE REVIEW AND**
21 **REPORT.**

22 “(a) REVIEW.—The Comptroller General of the Unit-
23 ed States shall review the implementation of the amend-
24 ments made by the Farm Program Payment Limitations
25 Reform Act of 1993 to determine whether the payment

1 limitation provisions of this Act and the National Wool
2 Act of 1945 (7 U.S.C. 1781 et seq.), as amended by the
3 Farm Program Payment Limitations Reform Act of 1993,
4 have been implemented to effectively and fairly—

5 “(1) require the attribution of payments to in-
6 dividuals;

7 “(2) prohibit the creation of entities by pro-
8 gram participants to garner payments to any indi-
9 vidual in amounts greater than those described in
10 sections 1001 through 1001E and section 704(b)(1)
11 of the National Wool Act of 1954 (7 U.S.C.
12 1783(b)(1));

13 “(3) limit payments to any one farm program
14 participant to the amounts described in paragraph
15 (2);

16 “(4) require the contribution of active personal
17 labor by program participants in order to be eligible
18 for payments under this Act and the National Wool
19 Act of 1945; and

20 “(5) administer the payment limitation provi-
21 sions of such Acts.

22 “(b) REPORT.—Not later than two years after the
23 date of enactment of this section, and periodically there-
24 after as he or she determines necessary, the Comptroller
25 General shall submit a report to the Committee on Agri-

1 culture of the House of Representatives and the Commit-
2 tee on Agriculture, Nutrition, and Forestry of the Senate
3 that describes—

4 “(1) the results of the review required under
5 subsection (a);

6 “(2) any information available to the Comptrol-
7 ler General that any individual, farming operation,
8 or entity is receiving payments in excess of the
9 amounts described in sections 1001 through 1001E
10 and section 704(b)(1) of the National Wool Act of
11 1954, including—

12 “(A) the number and dollar value of pay-
13 ments described in section 1001(1)(A) or in
14 section 704 of the National Wool Act of 1954
15 made to any natural persons, entities, and
16 farming operations, by State and commodity,
17 that exceeded the payment limitation in such
18 section and an explanation of why the payment
19 limitation was exceeded;

20 “(B) for any commodity for which a mar-
21 keting loan is in effect, the number and dollar
22 value of any gain realized, plus forfeitures, by
23 natural persons, entities, and farming oper-
24 ations, by State and commodity, that exceeded
25 the payment limitation in section 1001(1)(B)

1 and an explanation of why the payment limita-
2 tion was exceeded; and

3 “(C) the number and dollar value of total
4 payments set forth under section 1001(2)(B)
5 made to natural persons, entities, and farming
6 operations, by State and commodity, that ex-
7 ceeded the payment limitation in section
8 1001(2)(A) and an explanation of why the pay-
9 ment limitation was exceeded;

10 “(3) any other information that the Comptroller
11 General determines appropriate to assist in the over-
12 sight of the implementation of the payment limita-
13 tions described in subsection (a); and

14 “(4) the recommendations of the Comptroller
15 General for the effective and fair implementation of
16 the payment limitation provisions of such Acts to—

17 “(A) address the matters described in sub-
18 section (a);

19 “(B) enforce the payment limitations de-
20 scribed in paragraph (2); and

21 “(C) effectively and fairly administer the
22 commodity programs established under the Ag-
23 ricultural Act of 1949 and the National Wool
24 Act of 1954.”.

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